
COMMONWEALTH OF VIRGINIA



OFFICE OF THE GOVERNOR

Executive Order 60

FURTHERING THE VIRGINIA WATER SUPPLY INITIATIVE

By virtue of the authority vested in me as Governor under Article V and Article XI of the Constitution of Virginia and under the laws of the Commonwealth including, but not limited to, Chapter 1 of Title 2.2 of the *Code of Virginia*, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby set forth measures to further the Virginia Water Supply Initiative (Executive Order 39, 2003).

Importance of the Initiative

There is no more important public service than an adequate supply of clean, safe drinking water. Significant strides have been made in recent years towards improving water supply in Virginia. The Departments of Health, Housing and Community Development, and Environmental Quality, as well as the Virginia Resources Authority, all have achieved much in improving water supply in the Commonwealth. However, much remains to be done. The Commonwealth plays an important part in regulating and financing drinking water supplies. At present, urban, suburban, and rural residents alike face growing concerns about the long-term adequacy of their water supplies to meet public health, economic development, and agricultural needs.

Need for Aggressive Water Supply Financing

The continued need for clean, safe drinking water highlights the importance of making the most of the Commonwealth's available water supply financing and other resources. Current water supply needs exceed the available below-market funding. Water supply needs in the

Commonwealth exceed \$300 million over the next four fiscal years. Southwest Virginia alone has needs in excess of \$500 million over the next decade.

With these significant needs in mind, a more aggressive approach to funding water supply requirements is warranted. The steps set out below will be taken to increase the financing resources available for water supply projects.

With the goal of funding as many water supply projects as possible firmly in mind, I hereby direct the Secretaries of Commerce and Trade, Health and Human Resources, and Natural Resources to work together and with the Board of Health and the State Water Control Board to develop a mutually agreeable approach to implement the following actions:

1. Leverage the Virginia Water Supply Revolving Fund and the Virginia Water Facilities Revolving Fund to the extent necessary to meet demand.
2. Share application information for water projects among the Department of Health, the Department of Environmental Quality, the Department of Housing and Community Development, and the Virginia Resources Authority to identify the best possible resources for meeting any given community's needs.
3. Amend the existing interest rate reduction policies for the revolving loan funds to implement a three percent net present value savings requirement in lieu of the current requirement for at least a one percent interest rate reduction.
4. Implement a fee structure to pay for the long-term financial administrative costs and other federally allowed activities of the revolving loan funds in such a way that the costs for localities shall not increase. Fees shall not exceed one tenth of one percent for ceiling rate or modified ceiling rate loans through the Virginia Water Facilities Revolving Fund and one half of one percent for all interest bearing loans through the Virginia Water Supply Revolving Fund. These fees shall be established for loan applications received during the FY 2004 funding cycle and beyond. They shall not cause any borrower to pay more over the life of the loan than otherwise would have been the case, because interest rates will be lowered to take into account the fees. No fee shall be charged on interest-free loans.
5. Identify opportunities for additional grant funds that can be directed to water projects.
6. Conduct aggressive outreach to make local communities aware of state financing and other resources for water supply projects.
7. Meet at least quarterly to measure progress towards the goal of providing 25,000 additional Virginians access to clean, safe drinking water by July 1, 2008. The secretaries shall jointly prepare an annual report on progress towards this goal by December 1 of each year beginning in 2004.

Applicability of the Order

This Executive Order shall be effective immediately upon its signing and shall remain in full force and effect until June 30, 2006, unless amended or rescinded by further Executive Order.

Given under my hand and the Seal of the Commonwealth of Virginia, this 5th day of January 2004.

Mark R. Warner, Governor

Attest:

Secretary of the Commonwealth